

MINUTES

**MONTANA SENATE
56th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON PUBLIC HEALTH, WELFARE AND SAFETY

Call to Order: By **CHAIRMAN AL BISHOP**, on January 22, 1999 at
3:10 P.M., in Room 325 Capitol.

ROLL CALL

Members Present:

Sen. Al Bishop, Chairman (R)
Sen. Fred Thomas, Vice Chairman (R)
Sen. Sue Bartlett (D)
Sen. Dale Berry (R)
Sen. John C. Bohlinger (R)
Sen. Chris Christiaens (D)
Sen. Bob DePratu (R)
Sen. Dorothy Eck (D)
Sen. Eve Franklin (D)
Sen. Duane Grimes (R)
Sen. Don Hargrove (R)

Members Excused: None.

Members Absent: None.

Staff Present: Susan Fox, Legislative Branch
Martha McGee, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 81, 1/12/1999
Executive Action: None

HEARING ON SB 81

Sponsor: SEN. JOHN HARP, SD 42, Kalispell

Proponents: Marc Racicot, Governor of Montana
Mark O'Keefe, State Auditor
SEN. DOROTHY ECK, SD 15, Bozeman
Denise Fender, Caring Program
Verner Bertleson, Montana Senior Citizens Assn.
Helen Taffs, Self
Lori Byron, Academy of Pediatrics in Montana
Lee Arbuckle, Montana League of Women Voters
Rita Turley, St. Vincent's Hospital
Riley Johnson, Self
Sami Butler, Montana Nurses' Association
Ann Bauer, Montana People's Action
Briana Kerstain, Montana People's Action
Wendy Young, Working for Equality & Economic
Liberation
Don Judge, AFL/CIO
Don Nordstrom, Self
Terry Minow, MEA/MFT
Rita Blouke, League of Women Voters
Sharon Hoff, Montana Catholic Conference
Betty Waddell, Montana Association of Churches
Catherine Love, Office of Public Instruction
Lyla Knutson, AARP
Rebecca Moog, Montana Women's Lobby
Michelle Hines, National Association of Social
Workers
Kathy Jorgenson, Nurse Practitioner
Chuck Butler, Blue Cross/Blue Shield
Cathy Caniparoli, Nurse Practitioner
Colleen Murphy, Montana Chapter, National
Association of Social Workers
Nancy Knaff, Montana Nurses' Association
Mary McCue, Montana Dental Association
Andrea Merrill, Mental Health Association
Steve Yeakel, Montana Children's Alliance
Jerry Loendorf, Montana Medical Association
Steve Pilcher, Montana Dental Hygienists Association
Ron deYoung, Montana Farmers Union
Mona Jamison, Montana Chapter of American Physical
Therapy
John Flink, Montana Hospital Association
Joan Miles, Lewis & Clark City/County Health
Kip Smith, Montana Primary Care Association

Opponents: Karolyn Simpson, Self
Bobbie Rossignol, Self

Information: Arlette Randash, Eagle Forum**Opening Statement by Sponsor:**

SEN. JOHN HARP, SD 42, Kalispell, said he had been a legislator for 18 years but rarely had an opportunity to introduce legislation which would affect an estimated 10,000 children in Montana. Congress passed this legislation in 1997 and it allowed for a 10-year funding program, as long as the state could match up to 20% of those funds. He said these Montana children, eligible at 150% of poverty level, were in our neighborhoods, grocery stores, Little League baseball games, etc. They were children of hard-working Montanans who managed their household affairs very prudently but sometimes had to choose between groceries and taking care of their children. He said a reflection on society came from what it did with its children, youth and senior citizens and **SB 81** was appropriate legislation to deal with that. He reported **SEN. DOROTHY ECK** and **SEN. BILL GLASER** worked on this legislation in the Children and Families Interim Committee and did a good job of making the legislation fit Montana. There were several options in implementing this legislation: (1) Expand Medicaid; (2) Private insurance company; (3) Combination of both. He stated the recommendation of both the interim committee and Children's Health Insurance Program (CHIPS) Advisory Committee was to make it a private insurance program, i.e. it was not an entitlement program. **SEN. HARP** said he liked the fact CHIPS would allow better access for the children and it would be accepted by families. He explained when hard-working Montanans who qualified for this program would apply and enroll, annual assessments and co-payments were required. CHIPS was an insurance, not a social, program with a minimal price tag. He said he was aware of only two states which had not applied for CHIPS. Washington had its own program and Wyoming was the other state.

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Proponents' Testimony:

Marc Racicot, Governor of Montana, said CHIPS was a low-cost, private insurance program for children through age 18, and eligibility was based on a family's adjusted gross income, up to 150% of the federal poverty level, i.e. \$20,475 for a family of three. The Department of Public Health & Human Services (DPHHS) would pay the monthly premium for each child enrolled in CHIPS with funds from Montana and the federal government. He said parents would remain in charge of their children and the health

care they received; in fact, some parents would share in the cost through an annual enrollment fee and co-payment of utilized services. The CHIP federal funds were available and committed for 10 years through a phased process, with a committed appropriation for five years. However, some of the funds weren't appropriated for the entire ten years but \$11.74 million in federal funds were allotted to Montana, with a 20% match by the state, or \$2.56 million for the fiscal year 2000. He explained administration and outreach costs for CHIPS were capped at 10% of program expenditures. Presently, Montana had 82,000 children who lived below 150% of federal poverty level. About 50% (41,000) were receiving Medicaid and about 14,700 were uninsured.

Governor Racicot said it was their hope a combination of CHIPS, more Medicaid recipients and the Caring Program would provide health care coverage to all Montana's children. The bill provided for a sunset because if federal money was no longer available, CHIPS would not continue. He reiterated CHIPS was neither an entitlement nor an expansion of Medicaid. Also, private insurance subsidy was not a new idea; in fact, it was a very prominent and recognizable dynamic for employees who partook in an employer-subsidized insurance policy. If **SB 81** passed, there would be an opportunity to return to Montana about \$58 million in federal taxes over five years' time. This money could be used for something good and necessary for uninsured Montana families. He stressed the money would not be utilized in any other way; it had to be used for health care for children. Montana could turn down the money, which would only ensure it would go to another state. He stated there had been a healthy debate in Montana which addressed all the issues and the people strongly supported **SB 81**. He urged a favorable recommendation.

Mark O'Keefe, State Auditor and Insurance Commissioner, said he fully supported the program because since they had become publicly involved over the past year, they had received many supporting phone calls from Montanans who qualified for CHIPS as well as from those who didn't qualify. He said CHIPS would help about 10,000 children but would also help other families because his department dealt with cost-shifting. He explained insured citizens paid for inflated health care costs through inflated premiums, which providers were forced to raise because of unpaid bills by other parties. Individuals who couldn't afford insurance didn't have the ability to pay their bills after they received medical treatment. He stated as a result, this past year Montana hospitals were being asked to swallow \$50 million in unpaid bills; therefore, they compensated by increasing fees which were paid by insurance companies who collected premiums from Montana families who could afford to pay. CHIPS would change the equation because it would allow some of the families who were treated, but couldn't pay their bills, to pay a small

percentage of the cost, i.e. they'd be part of the solution instead of the problem. He related how Montana ranked 50th in average wages and also 50th in percentage of employees providing health insurance, which spelled trouble for families looking for health insurance because it was so expensive. **Mr. O'Keefe** said CHIPS was designed to help working families by providing insurance for them. He urged support for **SB 81**.

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SEN. DOROTHY ECK, SD 15, Bozeman, said she had been trying for many years, through legislation, to get insurance for children because it was important for their long-term health. She expressed thanks for the attempt to involve citizens and said that was how acceptable legislation was arrived at. She said she also represented **SEN. MAX BAUCUS**, who was interested in this proposal all the way through and was helpful in expediting the approval of the plan; in fact, he sent a four-minute video, which she suggested be shown at the end of the hearing.

Denise Fender, Single Parent, introduced her children who were enrolled in the Caring Program. She said she worked for a small business which didn't provide health insurance; therefore, without the Caring Program, her family would have no insurance at all. She related how about a year ago, her son was taken to the emergency room for treatment and since she had no insurance, it took her about a year to pay the bill. She said CHIPS and the Caring Program were needed for struggling families like hers because it allowed care from both doctors and dentists. She asked for support for CHIPS.

Verner Bertelson, Montana Senior Citizens Association (MSCA), said they supported CHIPS because it was the right thing to do and because most of his organization had children and grandchildren who could qualify for admittance into the program. He said for years, MSCA had supported a universal health insurance program for all Montana citizens. He urged support for **SB 81**.

Helen Taffs, Private Citizen, said she was a single, working mother. She urged support for CHIPS because there were many Montanans who were the "working poor." According to a recent article in the "Independent Record," a single person without children needed to earn \$9.02 an hour to survive, while a single parent of two children needed over \$14.00 per hour. She said though she made less than \$9.00 per hour, she was disqualified for food stamps, Medicaid, FAIM, etc. She stated her employer didn't offer health insurance so her child was enrolled in the pilot program of CHIPS and she was thankful for the program. In

the past, she had to choose between medical care for her child and paying her rent, food, etc. She said if she was faced with a medical emergency, she would be forced to quit her job and go on welfare in order to qualify for Medicaid. Medical care was a right and not a privilege and she urged support of **SB 81**.

{Tape : 1; Side : A; Approx. Time Counter : 27.8}

Lori Byron, Academy of Pediatrics in Montana, said pediatricians saw many children without health insurance but didn't see very many children of the "working poor." She said those children might get their shots through the Vaccines for Children Program but the care didn't go beyond that. She explained many medical problems could be avoided or improved if anticipatory guidance was used with this pediatric age group, i.e. children's lives could be healthier because they hadn't yet acquired unhealthy habits. She said when she went to national meetings, Montana was the only state where all pediatricians accepted Medicaid patients. She further explained they had no problem writing off debts, etc., but the biggest problem was they didn't get to see very many children of the "working poor." She said pediatricians felt CHIPS was the greatest piece of legislation for children in America in the last 30 years, and Montana could participate with a very token investment.

Lee Arbuckle, Montana League of Women Voters, read his written testimony **EXHIBIT**(phs17a01).

Rita Turley, St. Vincent's Hospital and Health Center, said they as a provider were seeing a tremendous increase of families entering health care without health insurance; in fact, from 1996 to 1999, the figure went from 4.5% to 10%. The charity and bad debt figure went from \$6.6 million to an estimated excess of \$10 million when the fiscal year closed on June 30, 1999. She maintained this was a crisis for the health care community and it affected everyone. She urged support for the bill for Montana's most valuable resource, i.e. the children.

{Tape : 1; Side : A; Approx. Time Counter : 36.5}

Riley Johnson, Private Citizen, said he had been a small businessman for 28 years and wanted to give a small business perspective of what CHIPS could do. He said his small businesses had always provided health insurance for the entire family and over the years he had noticed the benefits of covering the entire family. It helped by: (1) Keeping employees focused on their jobs; (2) Keeping them loyal and willing; (3) Cutting down on absenteeism; (4) Keeping customers happy with employees because

they were taken care of. He said he appreciated the privatization of the bill and asked for a DO PASS.

Sami Bulter, Montana Nurses' Association, said the nurses supported SB 81 with an amendment **EXHIBIT(phs17a02)** because nurse practitioners as mid-level practitioners had a long history of providing health care to under-served children before their health care was government-funded. Having a greater number of listed providers didn't increase the cost of care because the intent was to provide access to quality care. She said mid-level practitioners were an essential part of health care in Montana and were contemplated at the beginning of CHIPS; in fact, the pilot program identified the mid-level services under the benefits provided and on January 12, 1999, the Department assured them they would be covered. She maintained the language should clearly identify those services so the issue would not need to be revisited. She urged support for the bill with the amendment.

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Ann Bauer, Montana People's Action (MPA), said they supported the bill but asked for amendments **EXHIBIT(phs17a03)**. She introduced her daughter, Mary Woodward, who said she was sick but didn't qualify for medical care and they couldn't afford health insurance. She said she was in counseling but when Medicaid was dropped, they were left with a big bill so she could no longer afford counseling. She asked for approval for the bill.

Briana Kerstain, Montana People's Action (MPA), said for every family represented at the hearing, there were hundreds or thousands who were not present but in the same situation. She said the bill gave tremendous opportunity to create positive change in families. She urged the Committee to take the power to make changes for the children.

Wendy Young, Working for Equality and Economic Liberation (WEEL), read her written testimony **EXHIBIT(phs17a04)**.

Don Judge, AFL/CIO, said they offered support for the bill. He said most of their members were covered by insurance so they had another economic interest in passing the bill. Every time their members went to the bargaining table, employers said increased cost of health care was increasing the deductibles to be paid by the employees, which was impacting exclusions, i.e. eye care, dental care, etc. He said the drain on those who had insurance had to stop but the fact that Montana had more workers per capita who were not covered by an employer's health insurance than any other state was a problem and needed to be addressed. He urged a DO PASS.

Don Nordstrom, Pediatric Dentist, said he wanted to address the issue of including a dental benefit in CHIPS. He said he had practiced pediatric dentistry for 28 years and he had noticed 80% of dental disease in adolescents was found in families in the lower 25% income level. The result was unhappy, unhealthy children with high costs of dental repair. He realized the money available couldn't take care of all costs of dental care for children, but if it could be earmarked for prevention and intervention, the children would be healthier and there would be cost savings. He urged the consideration of dental care coverage.

Terry Minow, Montana Education Association & Montana Federation of Teachers, said they strongly supported **SB 81** because investment in children was the best investment to be made. She asked for a speedy DO PASS.

Rita Blouke, League of Women Voters, read her written testimony **EXHIBIT**(phs17a05).

{Tape : 1; Side : B; Approx. Time Counter : 9.3}

Sharon Hoff, Montana Catholic Conference, said CHIPS was one of the Conference's priorities for this legislative session and she urged passage of **SB 81**.

Betty Waddell, Montana Association of Churches, couldn't be present but submitted her written testimony **EXHIBIT**(phs17a06) via **Sharon Hoff**.

Catherine Love, Office of Public Instruction (OPI), said OPI urged support for the bill because they believed not having health insurance coverage impacted children's education. She explained without insurance, some medical conditions were not addressed until they became more serious, such as middle ear infections. This could result in reduction of acquisition of language, and could impact rates at which children learned to read, something which was critical at the early elementary years when the basis of future education was laid. She stated healthy students missed fewer days of school, were more attentive and were better able to take care of educational opportunities.

Lyla Knutson, AARP, said during her nursing years, she saw many ill children coming for medical help. Because the parents did not have insurance, they were admitted to the emergency room. The cost at the emergency room was more than if they had gone to the clinic and since they waited before coming in, the cost of the medications was higher also. She said the theory was prevention and having health insurance would allow them the

opportunity to have a routine check-up by a family doctor. She stated AARP supported the bill.

Rebecca Moog, Montana Women's Lobby, said they strongly supported the bill and urged the Committee to do the same. She said she personally had been in the situation where she had to choose between her child's health and her minimum-wage job because she didn't have health insurance through her employer. She said the Lobby also supported the amendments by the Nurses' Association.

Michelle Hines, National Association of Social Workers (NASW), said she supported the bill because she was aware there were many children who did not have health insurance and therefore, did not get the needed services, because their families did not meet the income guidelines of Medicaid. She said Montana had many "working poor" families and it was time to take the initiative to provide for the well-being of the children.

Kathy Jorgensen, Nurse Practitioner, read her written testimony **EXHIBIT (phs17a07)**.

Chuck Butler, Blue Cross/Blue Shield (BC/BS) and Caring Program, said Phase 1 of CHIPS currently was serving 880 Montana children in all but eight counties. He said, after many months of working with the Department of Public Health & Human Services (DPHHS) and number of competitors, BC/BS became the only insurer who was participating in the program at this time. He said BC/BS got \$90.01 per month per child, and was at risk for all medical and hospital services for these 880 children for 12 months. He stated the insurance company was making nothing on this program; in fact, they had internally allocated 10% out of the premium dollars to cover administration. He said if the costs went beyond the \$1,080 per year per child, administration and BC/BS reserves would cover the remainder. He commented there were no pre-existing conditions for children in this program so children coming in could be very ill. He remarked this was a wonderful program for needy families and BC/BS was proud to be a part of it. He extended thanks to participants who already agreed to accepting reduced fees so the bills could be paid and said in the future, if the benefits were expanded, other participants would be asked to do the same. He distributed copies of **EXHIBIT (phs17a08)**.

Cathy Caniparoli, Nurse Practitioner, said she urged the implementation of CHIPS with the amendment proposed by the Montana Nurses' Association. She reiterated the reason for the amendment was many services were offered by nurse practitioners in rural communities where they were the sole providers. If, in the future, CHIPS would no longer reimburse, these families would

have to drive to another community in order to get health care. When this happened, dollars were taken from those rural communities because the prescriptions, foods, etc., were purchased outside the home community. She said Montana policy makers had worked hard to ensure rural residents had access to health services, so many communities had chosen Advanced Practice Registered Nurses (APRN) to provide the services; however, the clinics and communities were small so they needed access to the full population in order to survive as a small business. She said legislators needed to encourage small businesses so they had full access to the payment programs. She urged a DO PASS on the bill as amended.

Colleen Murphy, Montana Chapter, National Association of Social Workers, urged support for **SB 81**.

{Tape : 1; Side : B; Approx. Time Counter : 20.3}

Nancy Knaff, Montana Nurses' Association, read her written testimony **EXHIBIT**(phs17a09).

Mary McCue, Montana Dental Association (MDA), Montana Psychologists' Association (MPA), & Licensed Professional Counselors' Association (LPCA), said MDA was grateful for the opportunity to work with the Department in developing a benefit package and they were happy to see the dental component in the package.

Andrea Merrill, Mental Health Association, read her written testimony **EXHIBIT**(phs17a10).

Steve Yeakel, Montana Council for Maternal and Child Health, said between mid-November and mid-December, they were in 15 communities across the state. He asked for support for **SB 81**.

Jerry Loendorf, Montana Medical Association, encouraged support for the bill.

Steve Pilcher, Montana Dental Hygienists' Association, asked for support for **SB 81** and distributed copies of **EXHIBIT**(phs17a11).

Ron deYoung, Montana Farmers Union, said they believed all needy Montana children should be insured with this program; therefore, he urged support for the bill.

Mona Jamison, Montana Chapter of Physical Therapy Association, said after visiting with different parties about the bill, they believed physical therapy outpatient services were included. She

said that made sense because it was a low-cost alternative for getting those services; however, they were trying to ensure the low-cost alternative of providing therapy services was clear. They supported **SB 81**.

John Flink, Montana Hospital Association, said they supported this legislation. He urged its passage.

Joan Miles, Health Officer, Lewis & Clark County, said they wanted to go on record as supporting the legislation; in fact, she had participated in a conference call that morning and was urged to support it on behalf of the Missoula, Yellowstone and Flathead City-County Health Departments.

Kip Smith, Montana Primary Care Association, commented from his written testimony **EXHIBIT**(phs17a12).

{Tape : 1; Side : B; Approx. Time Counter : 28.2}

Opponents' Testimony:

Karolyn Simpson, Private Citizen, read her written testimony **EXHIBIT**(phs17a13).

Bobbie Rossignol, Private Citizen, read her written testimony **EXHIBIT**(phs17a14).

Informational Testimony:

Arlette Randash, Eagle Forum, asked: (1) Would abortion and contraceptives be covered by the program; (2) Would there be protection for minors who might be pressured to abort a baby; (3) What about pre-natal screening showing a baby born with impairments; (4) Would parents be notified of all covered services provided for minors; (5) Would these issues be addressed statutorily or through administrative rule? She thanked the Committee for consideration of her questions.

Questions from Committee Members and Responses:

SEN. EVE FRANKLIN asked how it would be affirmed the people who needed the services would be informed and reached, explaining there was unspent WIC money which was returned to the federal government. **Mary Dalton, DPHHS**, said they would be working on an extensive outreach package for this program and they hoped to use different community organizations to help them. She said other states had used their beauty shops, pharmacies, newspapers, fliers on McDonald's trays, etc., and Montana would look for such creative ways to get the information out. **Nancy Ellery, DPHHS**,

said part of the WIC problem was the federal allocation overstated what Montana should have received through rebates through WIC products, i.e. Montana truly spent the money but it was overstated by the federal government.

SEN. FRANKLIN said she wanted to put the CHIPS money to work.

Ms. Ellery commented one helpful thing for CHIPS was Healthy Mothers, Healthy Babies had received a \$1 million grant from Robert Wood Johnson to be used for outreach and education for the uninsured population, including those who were eligible for CHIPS, Medicaid and private insurance. She said they intended to match that grant with Medicaid dollars, which would give them \$2 million over a three- or five-year period.

{Tape : 2; Side : A; Approx. Time Counter : 0}

SEN. B.F. "CHRIS" CHRISTIAENS asked what would be done to ensure those who were currently covered under private insurance would not drop that coverage in order to be part of CHIPS. **Mary Dalton** said if a person was already insured, there would be a three-month waiting period. In federal terms, that was called a "fire wall."

SEN. CHRISTIAENS asked if there was a plan for encouraging small employers, who were currently providing coverage, to continue to keep small group insurance. **Mary Dalton** said they did not presently have such a plan; however, it would be an excellent idea to develop one within the next year.

SEN. CHRISTIAENS suggested "reasonably necessary" was pretty broad and he wondered if there had been discussion to implement parameters of some kind. **Mary Dalton** said something that happened with both CHIPS and Medicaid was there were obligations by the Department, who was the administrator, to know they were not paying for anything they should not be paying. Also, they needed to be able to track their contracts to ensure their costs were reasonable and people were getting the proper care. She explained the Department had been doing that with Medicaid for 30 years and had never had a breach of confidentiality. The reason for that was it had very strict confidentiality policies which all employees signed before beginning work with the Department. She said they would administer that in the same way; in fact, they would never release information which could identify an individual to another party. They got information on Medicaid recipients which was specific, and they intended to have the same information for CHIPS.

SEN. CHRISTIAENS commented he was pleased to see mental health coverage for partial hospital benefits was included. He wondered

if BC/BS's program was actuarially sound. **Chuck Butler** said he understood BC/BS was administering Phase I, and the legislation would include both the mandated mental health and chemical dependency benefits.

SEN. CHRISTIAENS asked if the premium would be the same as that of the Caring Program. **Chuck Butler** said the Caring Program was a foundation, where every \$360 raised or donated provided preventative services for children. However, the mental health and chemical dependency mandates were not part of the Caring Program benefits.

SEN. CHRISTIAENS commented on the language which said seeking routine care in the emergency room was not a benefit. He explained in the past, this population went to the emergency room for care because they were so sick they had no other alternative. He wondered how to implement the "no emergency room coverage for routine care" information to the clientele. **Mr. Butler** said both BC/BS and DPHHS were providing a lot of education for those families through their dedicated staff. He said Phase I of CHIPS did not insist families find a primary care provider, but BC/BS was encouraging them to find a pediatrician or family physician so emergency room visits could be avoided.

SEN. BOB DEPRATU asked if there was vision, dental, maternity or abortion coverage for children under 18. **Mary Dalton** said they proposed a basic dental coverage which included preventive dental services and the cost was \$200 per year. Maternity care would be covered and abortions were limited to rape, incest or endangerment of life of mother.

SEN. DEPRATU asked how DPHHS felt about including nurse practitioners. **Mary Dalton** said they felt since they were contracting with and transferring the risk to an insurance company, the company should be allowed to choose the provider panel.

{Tape : 2; Side : A; Approx. Time Counter : 10}

SEN. SUE BARTLETT commented the language in the bill indicated if the services were provided by mid-level practitioners, they were covered. **Mary Dalton** said if it were mandated, it would become an included service. Currently, if an insurance company wanted to add mid-level practitioners to its panel, it could because it was included and not "limited to".

SEN. BARTLETT asked if ultimately there might be several insurance companies who wished to contract and wondered if the language should reflect that possibility. **Mary Dalton** said those

amendments had been drafted. The program was designed so as many insurance companies as were interested would be able to participate; in fact, it was their hope families would be able to choose from among several plans.

SEN. BARTLETT wondered why the language in Section 7 didn't conform more to language on Line 16, or vice versa. She asked if both sections contained the same types of fees. **Mary Dalton** explained they were the same; in fact, the language on Page 3, Line 16, reflected the limitations under federal regulations. The Department tended to lump them all as a cost-sharing provision.

SEN. BARTLETT asked why those terms weren't used in Section 7. **Mary Dalton** said two different attorneys worked on it.

SEN. FRANKLIN commented the goal of the program was to provide the lowest cost, quality care possible. **Mary Dalton** affirmed.

SEN. FRANKLIN referred to the mid-level practitioner amendment and asked the Department to rethink its position because these practitioners were developed to provide lower cost, quality care.

SEN. ECK said state employees were excluded from eligibility and suggested that was a problem because many lower-income people worked for the state, including the university. She felt the language addressing that should be more clear. **Mary Dalton** said the language was included in the first draft of the bill, but omitted in the final version because they hoped Congress would "see the light" and change that passage. If that happened, they did not want the language as an exclusion.

SEN. ECK asked if there would be objection to amend that back in, as a matter of public information. **Mary Dalton** said they could, but preferred it to be an Administrative Rule, rather than a statute.

SEN. ECK asked for information on the Outreach Program. **Steve Yeakel** said the real goal for the grant was to try to "iron out" some of the duplication in insurance programs. Every attempt would be made to use the money to facilitate outreach, i.e. one-stop shopping for insurance products and people would not be guided toward inappropriate levels of care.

{Tape : 2; Side : A; Approx. Time Counter : 18.3}

Closing by Sponsor:

SEN. JOHN HARP said he had amendments **EXHIBIT (phs17a15)** and explained #4 meant no new groups, categories or Medicaid recipients could be added. Amendments #5 and #6 clarified the Department could not lower the percent of federal poverty level if insufficient funds existed. Amendment #7 clearly stated the Department could contract with more than one insurance company or entity. Amendment #8 instructed the Department to present any rules for review by the appropriate interim committee which examined issues relating to children and families. It also specified if there were unexpected CHIPS funds at the end of the biennium, they were to be deposited into the General Fund, i.e. the Department could not use these funds for other programs. He explained there was also a process to terminate CHIPS if federal funds were discontinued and again, if monies remained, they would be transferred to the General Fund.

He expressed appreciation for the small business persons who said CHIPS provided a better climate to ensure their work force was covered through some type of insurance. He said there was concern about the expansion of a new program but the way the bill was crafted made it different from Medicaid, i.e. CHIPS was not an entitlement or social program, but an insurance program for about 10,000 children. He asked for Committee support.

{Tape : 2; Side : A; Approx. Time Counter : 22.7}

Additional Testimony:

The video by **SEN. MAX BAUCUS**, a proponent, was played and **EXHIBIT (phs17a16)** is a transcription of his testimony.

Roger Koopman, Montana Trustees of Freedom, could not be present but FAXed his written testimony as an opponent, to **SEN. DON HARGROVE**, who submitted it to the Committee.

ADJOURNMENT

Adjournment: 5:00 P.M.

SEN. AL BISHOP, Chairman

MARTHA MCGEE, Secretary

JANICE SOFT, Transcriber

AB/MM

EXHIBIT (phs17aad)